

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: NORTHWESTERN ENERGY, A DIVISION OF NORTHWESTERN SERVICES GROUP, INC.	DOCKET NO. CGP-01-10
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ORDER APPROVING APPLICATION AND ISSUING CERTIFICATE

(Issued October 1, 2001)

On June 13, 2001, NorthWestern Energy, a division of NorthWestern Services Group, Inc. (NorthWestern), filed an application requesting the issuance of a certificate as a competitive natural gas provider (CNGP) by the Utilities Board (Board). The Board's rules at 199 IAC 2.2(18) and 19.14 establish the filing requirements for the issuance of a certificate. On June 15, 2001, the Board notified NorthWestern that the application was complete and the 90-day review period had begun.

Subrule 199 IAC 19.14(2) required CNGPs providing service in Iowa prior to April 25, 2001, to file an application on or before June 1, 2001, to continue providing service during the certification process. NorthWestern was providing service in Iowa as of that date and the Board granted NorthWestern a waiver of the June 1, 2001, filing date by order issued May 31, 2001. NorthWestern is therefore authorized to provide service until the completion of its certification process.

Based upon a review of the completed application, the Board finds that NorthWestern is a wholly-owned subsidiary of NorthWestern Corporation and is a South Dakota corporation. NorthWestern has obtained a certificate from the Iowa Secretary of State to do business in Iowa. NorthWestern has one affiliate that provides competitive natural gas service. That affiliate does not provide competitive natural gas services in Iowa.

Iowa Code § 476.87 requires that a competitive natural gas provider must reasonably demonstrate managerial, technical, and financial capability sufficient to obtain and deliver the services it proposes to offer. The Board in 199 IAC 2.2(18) and 19.14 established the filing requirements for a CNGP to obtain a certificate. These requirements contain the information determined by the Board to be necessary to review the managerial, technical, and financial abilities of the applicant.

As required, NorthWestern's application contains the professional background information for its principal managerial and technical personnel. Paragraph 6 of the application requires CNGPs who will serve small volume customers to submit specific financial information. NorthWestern filed financial information to comply with Paragraph 6. Additionally, NorthWestern expressed its commitment to comply with all applicable conditions of certification contained in 199 IAC 19.14(5) and (6). NorthWestern also acknowledged that failure to comply with all applicable conditions may result in the revocation of its certificate.

On September 13, 2001, the Board issued an order extending the determination date for NorthWestern's application, indicating that the Board needed additional time to review the financial information provided by NorthWestern to support service to small volume customers. By letter filed September 13, 2001, NorthWestern stated that it was seeking to serve only large volume customers.

The Board finds that NorthWestern's staff possesses extensive knowledge of and experience in various areas of the natural gas industry including marketing of natural gas service. Based on a review of NorthWestern's application, the Board finds that NorthWestern has reasonably demonstrated that it possesses the appropriate managerial, technical, and financial capability sufficient to obtain and deliver the competitive natural gas services to large volume customers.

The Board finds that NorthWestern's application complies with the filing requirements of Board rules and that NorthWestern will be issued a CNGP certificate to provide competitive natural gas service to large volume customers as defined in 199 IAC 19.14. The Board finds that no additional conditions should be placed on the certificate. If NorthWestern determines in the future that it wishes to offer service to small volume customers, it must file the necessary financial information and request an amended certificate.

Concurrently with the issuance of this order, the Board will issue a certificate identified as Certificate No. G-0005, to NorthWestern. NorthWestern will be subject

to the reporting requirements contained in 199 IAC 19.14(5)"c" once the certificate is issued.

IT IS THEREFORE ORDERED:

- 1 The application for a certificate as a competitive natural gas service provider in Iowa filed by NorthWestern Energy, a division of NorthWestern Services Group, Inc. on June 13, 2001, is approved. The certificate is limited to service to large volume customers as defined in 199 IAC 19.14(1).
2. NorthWestern shall comply with the filing requirements of 199 IAC 19.14(5).
3. Certificate No. G-0005 shall be issued to NorthWestern.

UTILITIES BOARD

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Mark O. Lambert

Dated at Des Moines, Iowa, this 1st day of October, 2001.